

**PROPOSAL FOR DEVELOPING A PUBLIC PROCESS TO RECOMMEND
WATER SUPPLY DEVELOPMENT AND MANAGEMENT LEGISLATION FOR
NON-AMA GROUNDWATER BASINS**

Purpose

To create a stakeholder process that will identify a mechanism and necessary legislation to encourage and support local initiatives for planning, financing, developing and managing water supplies in critical groundwater basins.

Issues

1. **Critical Water Resource Areas** - Several non-AMA areas in Arizona have critical water resources problems that cannot be resolved under the current statutory authorities delegated to the state agencies, counties or other local governments. (Attachment – List of Critical Groundwater Basins)
2. **Water Management** - The critical areas need different types and levels of water management to address the different water supply conditions, geography and water use patterns.
 - a. **Minimum Water Management** – some areas may only need local government ordinances and joint participation agreements to implement water allocation and conservation programs. (Example: Payson, Pine and Strawberry may be able to develop the Blue Ridge Reservoir supply and apportion the water through agreement. Restrictions on water availability for development would be by ordinance and action of the City Councils.)
 - b. **Medium Water Management** – Some areas may need regional water management entities to manage access to water to protect water rights claims. A regional management entity might be able to use agreements

between member agencies to allocate water. (Example: Mohave County Water Authority, maybe Coconino Plateau area.)

- c. **Maximum Management** – To protect existing municipal water supplies and associated economies, some critical areas may need the ability to control and manage water supplies for all new water users. Water rights for existing users would need to be established so that vested uses would be protected from harm. If expensive water supplies are imported and recharged, protections may be needed to protect the banked water. If new development does not have sufficient water supplies or will deplete water supplies for existing users, requirements to use imported water may have to be adopted. Such areas will need to have extensive monitoring of water supplies and uses to provide the necessary information to plan for the sustainable supplies needed for growth and development. (Examples: Upper San Pedro Valley, Detrital Valley, Hualapai Valley and maybe the Sacramento Valley groundwater basins.)

- 3. **Water Supply Development** - All of these critical areas have insufficient water supplies to meet current and future water demands and to provide a stable economic environment for the future. The ability to develop new supplies of water is difficult for several reasons.

- a. **Funding limitations** – water development projects are expensive, usually requiring long-pipelines, expensive pumping and treatment costs and the purchase of existing water rights.
- b. **Supply Limitations** - the primary sustainable water supply for many areas is imported water from the Colorado River. New groundwater development projects in some locations may provide a supply of water for an interim period without severe impacts on the long-term availability of water resources or other environmental concerns.
- c. **Competition for Supplies** – the communities adjacent to the Colorado River and within the 3-County CAP area require water to meet growth and

development needs. These communities and the critical groundwater areas of the state will be competing for the same water supplies to meet long-term growth needs. Those communities that have the organization and financing to obtain new water supplies may be more successful at obtaining new supplies.

- d. **Water rights and Environmental Impacts** – the development of new water supplies may conflict with vested water rights, claims for federal or Indian reserved rights and surface water that supports environmental resources.

- 4. **Limited Statutory Authority and Funding** - Most local governments have limited authority and budgets to plan and develop water projects and water management structures to meet current and future needs.

Framing the Legislative Proposal

Many questions will have to be answered to create a legislative proposal that will give local and state governments the incentive and ability to address the water resources issues facing the critical non-AMA areas. A few of the questions that must be answered include:

1. What legislative authorities do the local areas want and need to plan and develop water supplies?
2. What incentives are needed to encourage local governments to create regional water resources development districts to plan and finance water supply projects?
3. How would water development funds be obtained?
4. What types of water management authorities are needed to sustain the water resources for the region?
5. How would a regional district coordinate with the federal government, Indian Tribes, State of Arizona (ADWR), and other water users in water rights matters or allocation issues?

6. How would a regional district do business with cities, towns, counties, private water companies and large industries?
7. How should a regional water district be formed?
8. How can maximum public participation be encouraged in this process?
9. How will existing water users be protected? How will the long-term water supply be protected for municipal uses?
10. What water based environmental resources need protection?

Process for Framing the Legislative Proposal

Stakeholder Involvement

To develop an acceptable legislative proposal, local water users, local governmental officials and outside interests must meet, discuss and agree on concepts. Most of the critical areas have active local groups that have been discussing and actively pursuing solutions to their local water resources problems for years. All of the local groups have been supported by ADWR, USGS, and the USBR with funding and technical studies. These local groups are for the most part well aware of the water resource problems and potential solutions in their areas. In at least one case, the Upper San Pedro Partnership, professional facilitators have been hired to assist in developing common goals and problem statements. In two cases, federal intervention has occurred to formalize the local groups (upper San Pedro Partnership, Verde Valley area), which has accelerated the planning for water supply development and water management. All of the active local groups are well aware of the types of water development projects and water resources management programs that would be appropriate for their areas. The local groups are probably ready to discuss specific legislative concepts for water supply development and water management.

The local groups have not yet developed a common strategy to plan, finance, develop and manage water resources projects outside of the AMAs, although preliminary discussions have indicated an interest in collaborative planning. Each local group could appoint representatives to develop proposals for such planning.

Stakeholders outside of the local areas may not be as aware as the local groups about the problems and potential solutions for the critical water resource areas. Outside stakeholders include major water agencies and their subcontractors (SRP, CAP, AMWUA), power companies (APS, SRP, and others), mines, development and real estate interests (Home Builders Associations, Realtors Association, major development companies), statewide agricultural advocacy groups and other environmental groups. These interest groups participate in some capacity in some groups, but not all groups are represented.

Other State agencies such as Department of Environmental Quality, Department of Real Estate, State Land Department, Arizona Game and Fish Department and the Corporation Commission should be represented.

Representatives appointed by each of the local groups could meet and discuss common concerns, problems and issues with representatives of the outside groups. This discussion should lead to identification of the necessary legislative authorities and local organizations or districts that are needed to plan, finance and implement water supply projects. All proposals from this type group would then be taken back to the local or regional watershed partnerships for discussion, modification and approval.

ADWR Non-AMA Advisory Committee

It is proposed that ADWR form an advisory committee consisting of representatives from the critical groundwater areas and outside interest groups to discuss the statewide water resources issues and to propose draft legislation to aid in the long-term water resources development of the state. The purpose of the legislation would be to create incentives and a means by which local communities in critical water resource areas could voluntarily create organizations for water planning, development and management. The tasks of the group would include:

1. Identify the Critical Water Resource Areas of the State and the nature of the water problems in those areas.
2. Discuss the issues of concern in the areas, identify potential water supplies for development for the areas, identify water management needs to protect and allocate the supplies.
3. Propose legislative authorities that regional areas may need in order to plan, finance, develop and manage water resources to meet current and future water demands.

The Director of ADWR or his representative and members of the Advisory Committee shall present the draft proposal to county and city officials, watershed partnerships and the public throughout the state to obtain comment. The purpose of the meetings will be to determine if the proposed legislation meets the needs of the local area, determine if the local areas would use the provisions of the legislation, and determine what changes would be necessary to make the legislation complementary to the local water resources planning and development initiatives.

The Advisory Committee will make a report to the legislature describing the proposal, including comments from local governmental officials and the public. The Advisory Committee shall advise whether legislation is needed. If the advisory committee determines such legislation is appropriate and necessary based upon the input from the local areas, ADWR will prepare draft legislation for consideration.

ATTACHMENT

List of Critical Groundwater Areas in Arizona

The following list is for planning purposes and has not been reviewed or endorsed by any agency, local government or watershed partnership. It is not exclusive.

Upper San Pedro Groundwater Basin (Sierra Vista Area)

Verde River and Tonto Creek Groundwater Basin

Parts of the Little Colorado River Plateau and Coconino Plateau Groundwater Basins

Detrital Valley, Hualapai Valley and Sacramento Valley Groundwater Basins

Other Areas of Interest That May Need Further Consideration

Upper San Pedro Groundwater Basin (Benson Area)

Safford Groundwater Basin

Willcox and Douglas Basins

Lake Mohave, Lake Havasu and Parker Groundwater Basins

Agua Fria Groundwater Basin

State Agencies and Legislators

Arizona Dept of Water Resources (Herb Guenther, Tom Carr, and Sandra Whitney)
Governor's Office (Alan Stephens)
Governor's Office (Lori Faeth)
Arizona Corporation Commission (Steve Olea)
Arizona Dept of Environmental Quality (Steve Owens)
Arizona State Land Department (Mark Winkleman)

City Representatives

City of Flagstaff, (Ron Doba)
City of Prescott Valley, Prescott AMA, (John Munderloh)
City of Cottonwood, (Bob Hardy)
City of Sierra Vista, (Mayor Pro tem Bob Strain)
City of Safford, (Jay Howe)
City of Payson, (Buzz Walker)
City of Springerville, (Mayor Kay Dyson)
AMWUA Cities (Steve Olson, and two representatives to be nominated)
Tucson AMA, (David Modeer and Mark Stratton)

County Representatives

Cochise County, (Pat Call)
Navajo County, (J.R. DeSpain)
Apache County (Dave Brown)
Coconino County (Liz Archuleta)
Mohave County, (Pete Byers)
Pinal County, (David Snider)
Santa Cruz, (Mary Dahl)

Agriculture Representatives

Bas Aja, Cattleman
Rick Lavis, Arizona Cotton Growers Association
Robert Shuler, Western Growers
Joe Sigg, Farm Bureau

Environmental

The Nature Conservancy (Pat Graham)
Peter Culp, Attorney
Andy Laurezi, Sonoran Institute

Others

Salt River Project (John Sullivan)
Arizona Association of Realtors, (Tom Farley)
Mohave County Water Authority (Tom Griffin)
Yuma Area Water Resources Management Group (Wade Noble)
Navajo Nation Representative (Ray Benally)
APS Representative, (Yvonne Hunter)
Phelps Dodge Representative, (Bill Richardson)
Private Water Company (Bill Garfield, Arizona Water Company; Keith Larson, AZ American Water Works)
Central Arizona Homebuilders Representative, (Connie Wilhelm)
Southern Arizona Home Builders Association, (Ed Taczanowsky)
Central Arizona Project (David "Sid" Wilson)

State Agencies and Legislators

Senator Jake Flake, Chairman
Representative Tom O'Halleran